

IC 27-15-14

Chapter 14. Modified Conversion Requirements for Companies in Hazardous Financial Condition

IC 27-15-14-1

Qualifications for modified conversion; waivers or modifications of notice requirements

Sec. 1. (a) If a domestic mutual insurance company:

- (1) is insolvent, as defined in IC 27-9-1-2(l);
- (2) does not meet the minimum surplus requirements of IC 27-1-6-15; or
- (3) in the judgment of the commissioner, is in a hazardous financial condition;

its board of directors may adopt, and the commissioner may approve, any plan of conversion and amendment to the articles of incorporation that, on the effective date of the conversion, would provide for the former mutual to have paid-in capital stock and surplus in an amount not less than the minimum requirements of IC 27-1-6-14(c) and IC 27-1-6-14(e) and an RBC level greater than its company action RBC level.

(b) The commissioner may allow waivers or material modifications of the requirement to give any notices to members and policyholders, to obtain member approval of the proposed plan of conversion or amendment to the articles of incorporation of the converting mutual, or to distribute consideration to members if the value of a converting mutual described in subsection (a) does not in the judgment of the commissioner warrant any such notices, approvals, or distribution under the circumstances, including the expenses involved in a distribution of consideration.

As added by P.L.94-1999, SEC.3.

IC 27-15-14-2

Application for approval; required descriptions

Sec. 2. The application for approval of a plan of conversion and an amendment to the articles of incorporation described in section 1 of this chapter must include a description of how the converting mutual will meet the statutory surplus and capital requirements on the date the plan of conversion is completed, which may involve the issuance and sale directly to one (1) or more purchasers of the capital stock of the former mutual or of a parent company.

As added by P.L.94-1999, SEC.3.

IC 27-15-14-3

Approval of application; public hearing

Sec. 3. The commissioner shall approve the application and permit the conversion under a plan of conversion and an amendment to the articles of incorporation described in this chapter if the commissioner finds, following a public hearing, that the plan of conversion and the amendment to the articles of incorporation are in the best interests of the members and policyholders of the converting mutual, without

regard to their membership interests.
As added by P.L.94-1999, SEC.3.

IC 27-15-14-4

Supplemental requirements for modified conversion

Sec. 4. The requirements of this chapter are in addition to, and may be combined with, any other filings, approvals, or hearings required by IC 27-1-23 or otherwise by law.

As added by P.L.94-1999, SEC.3.